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RUEHBR/AMEMBASSY BRASILIA PRIORITY 6555  
RUEHCV/AMEMBASSY CARACAS PRIORITY 9150  
RUEHLP/AMEMBASSY LA PAZ MAR 3090  
RUEHMD/AMEMBASSY MADRID PRIORITY 2717  
RUEHQT/AMEMBASSY QUITO PRIORITY 0104  
RUEHSG/AMEMBASSY SANTIAGO PRIORITY 0269  
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TAGS: [PGOV](#) [PINR](#) [PE](#)  
SUBJECT: PERU'S NEW INTELLIGENCE LAW

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Classified By: D/Polcouns Art Muirhead for Reason 1.4 (B, D)

11. (C) SUMMARY. Peru's recently enacted intelligence law creates a new national intelligence agency, DINI. The law attempts to overcome past abuses by clearly defining the legitimate objective of producing intelligence; by requiring the approval of a designated Supreme Court Justice to carry out "special operations;" and by establishing oversight bodies to guide and coordinate intelligence operations -- a special Intelligence Committee of the Congress, and an executive branch interagency Council for National Intelligence. The law regulates intelligence activities which have previously led to corrupt practices, limiting DINI's access to financial information, and mandating the destruction of information not required for official purposes. In a conversation with Emboff, the DINI Director defined his agenda as delineating the new agency's role, broadening the recruiting base for new agents, and beefing up DINI's training curriculum. END SUMMARY.

12. (U) New legislation which reorganizes intelligence collection in Peru went into effect on January 4, 2006, upon publication in the "Legal Norms" section (Federal Register equivalent) of the official daily "El Peruano." The new law creates a new national intelligence agency, the National Intelligence Directorate (abbreviated as DINI in Spanish), which replaces the previous National Intelligence Council (CNI).

13. (C) The CNI was created in June of 2001 in response to the abuses to Peru's intelligence apparatus brought about by Vladimiro Montesinos, the currently jailed national security advisor of former President Alberto Fujimori. The history of CNI is a comedy of errors, in great part due to the constant replacement of its Directors -- as a result of both scandal and political whim -- by President Toledo. The penultimate of Toledo's seven CNI heads, retired Admiral Ricardo Arbocco, was forced to resign after 48 hours on the job when it became known that he was facing criminal charges in a fraudulent real estate deal. Arbocco was replaced by Adm. (R) Julio Raygada, who in March 2004 became the caretaker administrator of CNI during its reorganization, and was named as the head of DINI this January.

14. (SBU) The law creating DINI attempts to overcome the legacy of past abuses and shortcomings. It clearly defines

the sole legitimate objective of producing intelligence: providing the President and the Council of Ministers with information on threats to national security and constitutional order. To further stress the primacy of a legal framework for carrying out intelligence activities, the law states that "special operations" (those that in some fashion will violate the constitutional rights of individual citizens) may be carried out only when approved by a designated Supreme Court Justice. The law also specifies that the various intelligence agencies (DINI, military, police) must specialize in their fields of endeavor and thereby avoid overlap -- a principle that was widely ignored in the Montesinos era.

15. (U) The new law also calls for oversight bodies with a mandate for guiding and coordinating intelligence operations.

It envisions the establishment of an Intelligence Committee within the Congress, having 5 to 7 members, and empowered to hold hearings and otherwise investigate activities of the intelligence agencies. The Committee is also accorded the specific responsibilities of reviewing DINI's sectorwide Annual Intelligence Plan, and of receiving an annual report from DINI on program results. (NOTE: For the current Congress, intelligence matters are dealt with in a committee that also has responsibility for the diverse issues of national defense, internal order, alternative development and drug control -- this group has 12 permanent members and 5 associates. END NOTE.)

16. (U) Another body, the COIN (Council for National Intelligence), is created to facilitate intelligence coordination within the executive branch, and to resolve inter-agency disputes. The DINI Director, the Intelligence Chief at the Joint Command, the Intelligence Directors for the Interior Ministry and the Police, and the Foreign Ministry's Director of Security and Defense are designated members of the COIN. The individual military service intelligence chiefs may also be included as circumstances dictate.

17. (U) Other portions of the law attempt to regulate aspects of intelligence activities which have led to corrupt practices in the past, especially during the Montesinos era. It is stated as a general principle that all government entities are required to cooperate with the intelligence agencies in their collection activities. However, an exception is carved out for the government's Financial Intelligence Unit (UIF). The UIF is required to furnish information to DINI only when there is actual evidence of a financial crime which merits transmittal of a case to the Public Prosecutor's Office. Elsewhere, the law states that information gathered by intelligence agencies must be destroyed when it is later found to be not required for official purposes, and it defines potential sanctions for officials who do not comply. Finally, the law establishes an exhaustive method of accounting for resources expended in special (i.e., secret) operations.

18. (C) In a February meeting with D/Polcouns, DINI Director Raygada expressed optimism about the new law and the needed institutionality and stability it would lend to intelligence operations in Peru. In the case of DINI, he said the organization had gone through monumental changes and upheaval since the Montesinos days, first through having its staffing reduced from several thousand to about 400 currently, and then through the revolving-door directorships that had preceded his own tenure. Fortunately, he had been able to maintain a low profile during the time the CNI was being "restructured," and he felt the agency was well on its way to becoming what it should be: a professional organization devoted to gathering information on matters affecting national security. The days of political spying by his agency were long past, Raygada said, and he would not accept pressure to resume this type of activity.

19. (C) Given the upcoming change of government in Peru at the end of July, Raygada said he had no illusions about his prospects for staying in the job much longer. For this

reason, he was committed to institution-building efforts for the remainder of his tenure, hoping that these would be continued by the new administration. One area of focus for Raygada was delineating the role of DINI vis-a-vis the intelligence entities at Defense and Interior Ministries. As a general rule, he said, DINI should concern itself with analyzing the over-arching, strategic threats to Peru's national security, such as terrorism and drug trafficking, and leave the tactical, operational activity to the ministries. Raygada was also concerned about recruiting, wanting to attract agents from a wide variety of backgrounds, not just the military and police. He said he also wanted to beef up DINI's training facilities and professional curriculum.

110. (C) COMMENT: Director Raygada deserves credit for keeping a low profile, and thereby putting an end to the stream of bad press and public disdain that had been heaped on CNI throughout the course of the Toledo Administration. In his efforts to professionalize CNI/DINI, we understand he has reached out to intelligence organizations in other countries, and has received support from Spain, Brazil, and others. Embassy Lima will look for ways to support DINI through limited training and other activities that are consistent with our own interests. The extent of our future cooperation will depend on the nature of the new government that will take office in July, and whether it furthers the commitment to creating a competent, professional intelligence service for Peru.

POWERS